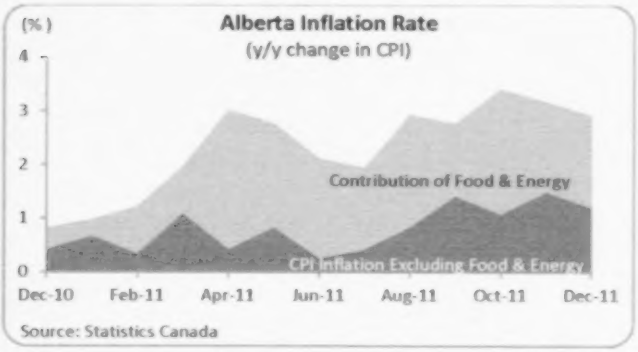
Consumer Price Index (CPI)

Canada's inflation plunges; Alberta's moderates...

Alberta finished the year with a slight drop in its inflation rate. Consumer prices rose 2.9% year-over-year in December, down slightly from the 3.2% reading in November. Though energy price inflation moderated, food prices showed no signs of easing, accelerating to 4.4% year-over-year growth in December. When volatile food and energy components are excluded, CPI inflation came in at only 1.2% in December.

For the year 2011, Alberta's annual CPI inflation was 2.4%, lower than the national rate of 2.9%. Energy and food prices drove Alberta's 2011 headline number: excluding these items, CPI inflation was a modest 0.8%.

Nationally, the CPI inflation rate fell more than expected to 2.3% in December from 2.9% in November. The drop was largely due to weaker gains in gasoline prices.



Manufacturing Shipments

Alberta shipments continue to surge...

Alberta manufacturing shipments jumped in November 2011, and came one-step closer to hitting an all-time monthly high. Shipments were up 5.9% to $6.4 billion in November, just shy of the July 2008 record, and were 23% higher compared to November 2010 levels. In 2011, shipments have already surpassed their total for 2010, with one month still left to be tallied. The growth in November was broad-based with 10 of 14 industries reporting sales increases over the previous month.

Resale Housing Market

Alberta home sales up, prices flat ...

Low interest rates and a strong labour market continue to support Alberta's housing market. After a slight decrease in November, Alberta existing home sales rebounded 2.0% to 4,509 units in December, slightly above the 1.8% increase in national sales. In 2011, sales bounced back by 6.9% from an eight-year low in 2010. Although sales growth outpaced

Canadian Dollar (US¢/C$)		
+1.0%	January 20, 2012	98.59
	January 13, 2012	97.61
	2011-12 Fiscal YTD Average	100.88
WTI Oil US$/bbl*		
-1.0%	January 20, 2012	$98.46
	January 13, 2012	$99.41
	2011-12 Fiscal YTD Average	$95.64
Nymex Natural Gas US$/MMBtu*		
-12.4%	January 20, 2012	$2.34
	January 13, 2012	$2.67
	2011-12 Fiscal YTD Average	*$3.90*

*Based on the closing price of the near month contract

increases in new listings in 2011, market conditions remained in "balanced" territory.

Despite higher sales volume, average resale prices have stayed relatively flat. In December, the average price was $358,514, slightly below the previous month and unchanged from December 2010. For the year 2011, prices were up a modest 1.0% over the previous year.

New Motor Vehicle Sales

Alberta car sales dip, but well ahead of 2010 levels...

Following three consecutive monthly increases, new motor vehicle sales in Alberta took a breather in November, dropping by 3.6%. Despite the monthly decline, new vehicle sales posted an impressive 12.9% year-over-year jump, more than double the national gain (+5.0%) and the ninth consecutive month of year-over-year gains. This robust growth is due to strong job and income gains, and exceptionally low interest rates.

Non-Residential Building Construction Investment

Non-residential building construction bounces back...

Following six straight quarterly declines, Alberta's investment in non-residential building construction increased 3.9% to $1.3 billion in the fourth quarter of 2011. Increases in industrial and commercial sectors more than offset a decline in the institutional government sector. Despite the fourth quarter improvement, non-residential construction registered its third consecutive annual decrease in 2011.

Employment Insurance (EI)

Number of EI recipients down sharply...

For the third month in a row, the number of Albertans on EI decreased in November, falling 0.9% to 28,750, in part due to strong job creation in the province. Year-over-year, EI beneficiaries plummeted 38.7%, the largest drop in over a decade and more than double the national decline of 19.2%.

Current Economic Indicators

Population	2009	2010	2011YTD*	July	Aug	Sep	Oct	Nov	Dec
Population [1] (000's) (level)	3,672	3,721	3,779	3,779	--	--	3,799	--	--
% change	2.2	1.3	1.6	1.6	--	--	1.7	--	--
Net Interprovincial Migraton [1] (level)	13,184	-2,183	13,660	4,720	--	--	3,136	--	--
Net International Migration [1] (level)	16,835	21,533	14,093	8,313	--	--	7,580	--	--
Net Non-permanent Residents [1] (level)	19,162	-77	-7,988	1,233	--	--	2,295	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,093.6	2,103	2,110	2,118	2,126	2,130	2,131
% change	-1.3	-0.4	3.8	3.8	4.2	4.8	4.3	4.8	4.9
Unemployment Rate (%)	6.6	6.5	5.5	5.5	5.6	5.4	5.1	5.0	4.9
Participation Rate (%)	74.3	72.9	73.7	73.9	74.1	74.2	74.1	74.1	74.0
Average Weekly Earnings ($)	950.01	993.13	1,036.43	1,026.42	1,044.26	1,050.15	1049.31	--	--
% change	2.8	4.5	4.7	2.6	4.3	4.5	4.5	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.4	1.9	2.9	2.8	3.4	3.2	2.9
NEW! Excluding food and energy	1.4	0.8	0.8	0.4	0.8	1.4	1.1	1.5	1.2
Non-Res. Building Cons. Price Index [2]	-9.8	-0.1	3.2	3.3	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	15.8	15.5	10.8	13.1	10.5	--	--
Crops	-18.9	-14.5	15.9	21.2	7.3	8.8	1.3	--	--
Livestock	-2.8	5.7	16.8	13.8	15.4	14.6	18.3	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	25.5	25.5	31.1	24.4	33.0	29.9	28.3
% change	-31.6	33.5	-5.3	-13.6	34.1	-9.6	25.0	34.7	37.4
New Housing Price Index	-9.0	0.5	0.4	0.1	0.2	0.0	0.7	0.4	--
Edmonton	-11.2	-0.8	0.9	1.1	0.9	0.6	1.1	1.1	--
Calgary	-6.7	1.7	-0.1	-0.8	-0.5	-0.5	0.3	-0.2	--
MLS Average Resale Prices ($ 000's)	340.5	350.9	355.8	352.2	355.4	365.1	360.7	359.5	358.5
% change	-3.1	3.1	1.0	0.0	2.1	2.6	2.9	1.5	1.8
NEW! Edmonton	319.1	326.5	325.7	325.5	323.3	338.7	333.2	330.6	330.6
% change	-3.5	2.3	-0.9	0.6	-1.6	2.3	0.3	-1.4	0.7
NEW! Calgary	384.3	397.4	402.8	398.8	403.6	409.4	402.7	401.3	407.2
% change	-4.2	3.4	0.9	-1.1	3.1	0.2	1.5	-0.2	1.7
Retail Sales	-8.3	6.0	6.9	6.9	7.2	8.0	10.4	--	--
New Motor Vehicle Sales	-21.7	9.3	8.9	7.0	5.7	5.5	20.0	--	--
Consumer Bankruptcies	9,986	8,150	5,969	534	595	525	515	--	--
% change	64.6	-18.4	-14.3	-14.7	-3.3	-28.3	-26.4	--	--
Business Sector									
Rigs Drilling	128	207	285	240	323	346	335	330	338
% change	-45.6	61.3	37.9	20.8	45.4	95.5	28.7	19.4	25.8
Goods Exports (customs based)	-36.6	12.4	16.5	16.4	24.5	23.7	18.1	26.0	--
Energy	-40.2	17.2	17.6	19.2	25.2	22.2	21.9	28.0	--
Agriculture	-12.3	-14.4	10.1	8.4	7.4	29.5	23.0	19.3	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.4	15.0	--	--	--	--	--
Manufacturing Shipments	-23.7	11.0	17.9	16.8	18.8	22.8	15.8	23.0	--
NEW! Wholesale Trade	-15.9	10.8	14.7	15.9	14.2	12.5	17.1	15.0	--
Building Permits	-14.2	2.1	7.0	17.4	39.4	29.6	12.7	2.6	--
Residential	-11.8	24.7	1.6	9.5	29.0	33.3	21.4	26.5	--
Non-residential	-16.3	-19.0	14.7	30.3	53.0	24.6	1.2	-22.7	--
Business Bankruptcies	405	378	227	15	26	23	30	--	--
% change	-9.4	-6.7	-27.9	-44.4	-13.3	-32.4	25.0	--	--

Government of Alberta ■
Finance

Alberta

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1–June 30).

[2] Quarterly, average of Calgary and Edmonton

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province